

CHAPTER 110
LEAN MANUFACTURING INSTITUTE PROGRAM

261—110.1(82GA,ch122) Authority. The authority for establishing rules governing the lean manufacturing institute initiative is 2007 Iowa Acts, chapter 122, section 7(1).

261—110.2(82GA,ch122) Purpose. The purpose of this program is to plan for the creation of a statewide lean manufacturing institute to provide training assistance to manufacturing companies. Targeted industries will be provided technical assistance to identify and adopt appropriate performance improvement programs.

261—110.3(82GA,ch122) Definitions.

“*Board*” means the Iowa economic development board established in Iowa Code section 15.103.

“*Committee*” means the technology commercialization committee authorized by Iowa Code section 15.116.

“*Department*” means the Iowa department of economic development.

“*Lean manufacturing institute*” means technical assistance focused on identifying holistic and sustainable manufacturing performance improvement programs providing a competitive advantage.

“*Supply chain development*” means strategic and operational activities implemented by manufacturers to effectively and efficiently meet the requirements of their existing customers and to identify possible new customers.

“*Targeted industry*” means the industries of advanced manufacturing, biosciences, and information technology.

261—110.4(82GA,ch122) Program funding.

110.4(1) Awards shall be made on a per-project basis upon board approval. The maximum award shall not exceed \$100,000 for a single project.

110.4(2) Funds shall be used for the development and delivery of performance improvement programs and for acquiring or developing learning materials. Funds shall not be used to purchase equipment.

110.4(3) Funds shall not be used for university overhead or indirect expenses or for any work that was conducted by the applicant or any third-party consultant prior to the term of the contract.

110.4(4) Awards from the program shall be in the form of a grant.

261—110.5(82GA,ch122) Matching funds requirement. In order to receive financial assistance, an applicant must demonstrate the ability to secure one dollar of nonstate moneys for every one dollar received from the department.

261—110.6(82GA,ch122) Eligible applicants.

110.6(1) An eligible applicant must be a for-profit business located in Iowa and must demonstrate the commitment of more than one company from one or more of the following industries as classified by the North American Industry Classification System:

- Biosciences.
- Information technologies.
- Advanced manufacturing.

110.6(2) Applications from the U.S. Department of Commerce/NIST manufacturing extension partnership in Iowa (MEP) on behalf of eligible for-profit businesses located in Iowa will be considered for funding.

261—110.7(82GA,ch122) Ineligible applicants.

110.7(1) A business which is engaged in retail sales or which provides health services is ineligible.

110.7(2) A business which closes or substantially reduces its workforce by more than 20 percent at existing operations in order to relocate substantially the same operation to another area of the state is ineligible for 36 consecutive months at any of its Iowa sites from the date the new establishment opens.

261—110.8(82GA,ch122) Application process.

110.8(1) An organization, institution of higher learning, individual or business must submit an application to the Iowa Department of Economic Development, 200 East Grand Avenue, Des Moines, Iowa 50309, in a form provided by the department. Required forms and instructions are available at this address or may be printed from the department's Internet site at www.iowalifechanging.com.

110.8(2) The technology commercialization committee shall have the authority to evaluate each application and shall provide a suggested funding amount to the board for consideration.

110.8(3) An application for technical assistance under the program shall include any information required by the department including, but not limited to, all of the following:

- a. Proposed services for performance improvement programs, outreach, and technical assistance.
- b. A listing of the Iowa companies and executives committed to participating in the technical assistance services.
- c. A description of the scope of work.
- d. A description of the performance metrics.
- e. Resources and project budget.
- f. Project time line and milestones.

261—110.9(82GA,ch122) Application selection criteria. In reviewing applications for technical assistance, the committee shall consider the following criteria:

1. Experience in implementing successful performance improvement programs with Iowa manufacturing companies.
2. Experience in implementing successful supply chain development programs with Iowa manufacturing companies.
3. Formal linkages to resources available from national organizations providing performance improvement programs.
4. The number of Iowa original equipment manufacturers (OEMs) and suppliers involved in the application.
5. Established, existing data and experience preparing organized information regarding Iowa manufacturers' performance improvement programs.
6. The degree to which the performance improvement program could be sustained and replicated.
7. Potential impact on the manufacturing output of Iowa OEMs and suppliers.
8. Budget, financial matching, and total leverage.
9. Return on state investment.

261—110.10(82GA,ch122) Intellectual property. All intellectual property developed or used for the application must be made available to the department for future performance improvement efforts with Iowa manufacturers and suppliers. If the applicant does not own the intellectual property described in the application, the applicant must provide satisfactory evidence of its right to use or further develop the intellectual property.

261—110.11(82GA,ch122) Contract and reporting.

110.11(1) Notice of award. Successful applicants shall be notified in writing of an award of assistance, including any conditions and terms of the approval.

110.11(2) Contract required. The department shall prepare a contract which includes, but is not limited to, a description of the project to be completed by the business; conditions to disbursement; required reports; the repayment requirements imposed on the business in the event the business does not fulfill its obligations described in the contract; and other specific repayment provisions ("clawback" provisions) to be established on a project-by-project basis.

110.11(3) Reporting. An applicant shall submit any information requested by the department in sufficient detail to permit the department to prepare the report required pursuant to 2008 Iowa Acts, House File 2450, section 6(9)“l,” and any other reports deemed necessary by the department, the board, the general assembly or the governor’s office.

These rules are intended to implement 2007 Iowa Acts, chapter 122, section 7(1).

[Filed emergency 9/18/08 after Notice 7/16/08—published 10/8/08, effective 9/18/08]